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## Dictatorship in the Dominican Republic

BY CHARLES A. THOMSON

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# Dictatorship in the Dominican Republic

BY CHARLES A. THOMSON

*with the aid of the Research Staff of the Foreign Policy Association*

IN his message to Congress on January 3, 1936 President Roosevelt declared that never in the four and a half centuries of modern civilization had there existed a greater "devotion to the ideals of self-government than exists today in the twenty-one American republics." He referred to nations on other continents which were dominated by autocracy.<sup>1</sup> It is worthy of note, however, that dictatorships are as numerous in the countries of America as among the nations of Europe. In the Caribbean republics particularly, recent years have witnessed a recrudescence of autocratic government. Guatemala and Salvador are ruled by military dictatorships. In Cuba Colonel Batista and the army overshadow the civil government. Present trends in Haiti, Nicaragua and Honduras may result in the establishment of dictatorial régimes in those states.

But among all the countries of the region, the Trujillo government in the Dominican Republic exhibits most clearly the assets and liabilities of "dictatorship, Caribbean style." Moreover, its relations with Washington have been such that this small nation, better possibly than any other Caribbean country, may serve as a case study of the problems which Latin American dictatorship in this area presents to the United States.

By geographical position the Dominican Republic is close to the United States. Historical factors have made relations intimate between the two countries. From 1916 to 1924 the country was occupied by United States marines. The Dominican army was reorganized and modernized, on the theory that the creation of an efficient and "non-partisan" force would discourage revolution and promote domestic stability. In this new army Trujillo was trained, and it provided him with the most effective instrument for the establishment of dictatorship.

The Republic's financial relations with the United States are governed by the 1924 convention.

1. U. S. State Department, *Press Releases*, January 4, 1936, pp. 12, 13.

This convention reaffirmed the right and obligation of the United States, originally secured in 1905,<sup>2</sup> to appoint a General Receiver to collect all the customs duties of the Republic "until the payment or retirement of any and all bonds issued by the Dominican Government."

In its political development, the Dominican Republic has had to struggle with two major problems—the threat of foreign domination on the one hand, and the dangers of civil strife and dictatorship on the other. During the century which succeeded the winning of its independence, the country experienced three periods of foreign control: subjection to Haiti, 1822-1844; restoration of Spanish rule, 1861-1865; and the United States Occupation of 1916-1924. Between these periods of dependence, the course of political life was marked by recurring revolutions and frequent governmental overturns—phenomena temporarily eliminated by occasional "strong" governments, of which the most outstanding was that of Ulises Heureaux, who dominated national affairs from 1882 to 1899.<sup>3</sup>

Following termination of the United States Occupation in 1924, General Horacio Vásquez was elected President under a constitution which pro-

2. By a *modus vivendi*, which was superseded in 1907 by a formal convention. For the text of the 1924 convention, cf. *United States Treaty Series*, No. 726, Convention between the United States and the Dominican Republic (Washington, Government Printing Office, 1925). Articles II and III of this convention read as follows:

"Article II. The Dominican Government will provide by law for the payment of all customs duties to the General Receiver and his assistants, and will give to them all needful aid and assistance and full protection to the extent of its powers. The Government of the United States will give to the General Receiver and his assistants such protection as it may find to be requisite for the performance of their duties.

"Article III. Until the Dominican Republic has paid the whole amount of the bonds for the debt, its public debt shall not be increased except by previous agreement between the Dominican Government and the United States."

3. On the history of the Dominican Republic, cf. Otto Schoenrich, *Santo Domingo, a Country with a Future* (New York, Macmillan, 1918); Sumner Welles, *Naboth's Vineyard* (New York, Payson & Clarke, 1928); and Melvin M. Knight, *The Americans in Santo Domingo* (New York, Vanguard, 1928).

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vided for a single four-year term. In 1927, however, his political group substituted for this provision a stipulation calling for a single six-year term, so that Vásquez might hold office until May 1930. In 1929 still another amendment restored the four-year term, but removed the prohibition concerning re-election. Vásquez then announced that he would be a candidate to succeed himself. Believing that a fair election was impossible, Lic. Rafael Estrella Ureña and General Desiderio Arias started a revolt on February 23, 1930 which in five days drove Vásquez from power. The success of the revolt was assured by the fact that the Dominican army, commanded by General Rafael Leonidas Trujillo, failed to defend the government against the revolutionaries.<sup>4</sup>

For the Presidential elections in May, a coalition, entitled the Confederation of Parties, named as their candidates General Trujillo for President and Estrella Ureña for Vice President. The National-Progressive Alliance nominated an opposing ticket, headed by Federico Velásquez for President and Angel Morales for Vice President.

In letters of April 17 and 18 to the President of the Central Electoral Board Velásquez charged that Trujillo adherents—in many cases army officers and men—had fired on meetings and manifestations of the Alliance, attacked its leaders and offices in various cities and its commissions of propaganda as they travelled through the country, killing and wounding a considerable number of Alliance supporters and imprisoning others.

In May the three members of the Central Electoral Board resigned. They had been named as the result of an inter-party agreement and in consequence had merited general confidence. By a decree of May 6, however, Provisional President Peynado replaced them with men whom the Alliance refused to recognize, charging they were partial to the Trujillo candidacy. Velásquez at once brought suit in the courts to test the legality of the President's action and the case finally came before the Court of Appeals in Santo Domingo on May 15. Two days later, when the judges were ready to pronounce sentence, the courtroom was invaded by a disorderly mob "uttering threats against the life of the judges." As a result of this coercion the members of the court withdrew without handing down their decision.<sup>5</sup>

4. Leaders of the revolt declared that prior to the movement an understanding had been reached with Trujillo that the army would not be used against the revolutionaries.

5. Statement of May 22, 1930, presented to the Dominican Supreme Court by the judges of the Santo Domingo Court of Appeals: Francisco A. Hernández, E. S. Mesa S., Carlos Gatón Richiez, G. Soñé Nolasco and M. E. Cáceres. Quoted in Guaroa Velásquez, "Génesis de una Tiranía," *El Imparcial* (San Juan,

Meanwhile, the leaders of the Alliance, believing that the tactics of the Opposition had made their campaign hopeless, had announced on May 14 their withdrawal from the race, declaring that elections held under prevailing conditions could only prove a farce.<sup>6</sup> In the poll held on May 16, Trujillo and Estrella Ureña were consequently unopposed and were declared elected. Federico Velásquez was imprisoned for three days following the elections, and later he and Angel Morales fled for refuge to Puerto Rico. On August 16, 1930 General Trujillo took office for a term of four years.

The new President was thirty-eight years old. He had come from the lower middle class, his father having been a storekeeper and cattle dealer in the village of San Cristobal, about twenty miles west of the capital. After a chequered youth,<sup>7</sup> he entered the National Guard which the United States marines were training, and at the end of the Occupation in 1924 had risen to the rank of captain. Under the régime of President Horacio Vásquez he was successively promoted until he became commander of the Republic's armed forces. Qualities of energy, industry and leadership contributed to his military advance and his subsequent rule as President.

#### TERROR AND REPRESSION UNDER TRUJILLO

The period succeeding General Trujillo's entry into the Presidential campaign witnessed the death or mysterious disappearance of a great number of his opponents. These included former cabinet ministers, ex-Senators, leading politicians, journalists, ranchers, business men, students and labor leaders. Among the more prominent cases were the following:

Virgilio Martínez Reyna, cabinet minister under President Vásquez, who was murdered together with his wife in San José de las Matas, Santiago Province. Martínez Reyna was ill in bed with appendicitis when, on the night of June 1, 1930, his house was attacked by an armed band. He had previously sought to have Trujillo removed as chief of the army.

José Brache, former Secretary of the Treasury, was killed at Moca by a group firing from an automobile as he emerged from a motion-picture theater. Brache, it was reported, had refused to loan Trujillo a considerable sum of money.

Senator Desiderio Arias, long an active politician (Puerto Rico), February 23, 1934. Sr. Velásquez presents a documented account of this period in a series of articles under the above title, published in *El Imparcial* from December 7, 1933 on.

6. Cf. *Listín Diaro* (Santo Domingo), May 15, 1930.

7. Cf. Drew Pearson, *Baltimore Sun*, February 17, 1931; and Ernest Gruening, "The Dictatorship in Santo Domingo: A Joint Concern," *The Nation*, May 23, 1934.

and revolutionary, was shot on June 20, 1931 in the mountains near Mao (Valverde).

Emilio Reyes, a journalist from the town of Azua, was killed "while attempting to escape," as he was conducted under arrest to Santo Domingo. He had been accused of attacking the Trujillo administration.

Gerardo Ellis Guerra, a Normal School student, was murdered at dusk on October 7, 1931 in Santiago, as he was walking on a main street with his fiancée. His father, Dr. Gerardo Ellis Cambiaso, was considered an opponent of Trujillo.

Detailed lists published by opponents of the Trujillo administration name a multitude of other individuals whose death was ascribed to the dictatorship.<sup>8</sup> The victims of the régime are declared by residents in the country to run into the hundreds and possibly the thousands. The period of most ruthless repression extended from the summer of 1930 to October 1931.

Imprisonment has been the fate of many of the dictator's opponents. Testimony from one professional man is as follows:<sup>9</sup>

"I was imprisoned in 1933. Attorney . . . was in Nigua at the same time. They sent him out in the morning to do hard labor. At eleven o'clock he was brought back unconscious. He was not used to labor under our tropical sun and had fainted. The jailers threw water on his face and the first thing he said when he came to was 'murderers.' I clapped my hand over his mouth, so that the guard would not hear him.

"It is impossible to get records on these imprisonments; no documents exist on mine—no record of my arrest, of the examination, of my release. There is absolutely no way of proving or tracing them."

Citizens were never sure what conduct might fall within the dictatorship's comprehensive definition of subversive activities. On April 6, 1933 Dr. Ramón de Lara, prominent physician and former Rector of the University of Santo Domingo, was arrested on the charge that he had assisted the wife of Dr. Angel Morales to forward a sum of money to her husband, then an exile in New York City.<sup>10</sup>

Some opponents of the régime succeeded in escaping to Haiti, Puerto Rico, Cuba and the United States. But the long arm of the dictatorship sought them even in foreign lands. By Law 572 of October 2, 1933, Rafael Estrella Ureña, Federico Velásquez, Angel Morales, Manuel Alexis Liz, Federico Ellis Cambiaso and Valentín Tejada were declared "traitors to the nation and in consequence deprived of

the exercise of their rights as citizens and without the law." These leaders were accused of making statements damaging to the Trujillo régime.<sup>11</sup> Many exiles reported that their property in the Republic had been confiscated. Mail was intercepted or rifled, to prevent not only remittances of money but letters of any kind passing between exiles and their families. Their children who remained in the country were reported to suffer discrimination in the schools.

On April 28, 1935 the New York apartment of Dr. Angel Morales was visited by an assassin. In Dr. Morales' absence his friend, Sergio Bencosme, was fatally wounded.<sup>12</sup> The press reported that prior to the crime Porfirio Rubirosa, son-in-law of General Trujillo, came to New York. On February 19, 1936 it was announced that Luis de la Fuente Rubirosa, cousin of Porfirio and accused of the actual shooting, had been indicted by the grand jury in New York for first-degree murder and that his extradition from the Dominican Republic would be sought.<sup>13</sup>

The dictatorship, with its many efforts at repression, by no means succeeded in removing all threat of opposition. Various revolutionary plots have been reported. In the early months of 1934 a band of young men in Santiago, emulating the example of the Cuban revolutionaries, began to plant small bombs in the Post Office, the Normal School and other government buildings. They planned to assassinate the President when he visited the city on March 30, 1934, but the plot miscarried at the last moment. Some forty young men, the majority of them students, were arrested and held in prison for more than a year.

In March 1935 the discovery of another alleged conspiracy was announced. Oscar Michelena, sugar-mill owner and former banker; Juan de la Cruz Alfonseca, an engineer; José Selig Hernández, a dentist; and a number of others were arrested. On April 4 Dr. Ramón de Lara and Amadeo Barletta were imprisoned for complicity in the plot.<sup>14</sup> Barletta was Italian Consul as well as a prominent business man. He represented the General Motors interests of the United States and was president of the Dominican Tobacco Company, a corporation largely financed by American capital. His friends asserted that the government had trumped up the charge of conspiracy and that the arrest was due to the success of the Dominican Tobacco Company in breaking

8. Cf. Buenaventura Sánchez, *Trujillo: La Agonía Dominicana* (Havana, Cultural, 1933); Rafael Eskert, "Trujillo, el detentador de las libertades de Santo Domingo," *Bohemia* (Havana), May 27, 1934; *Baltimore Sun*, February 17, 18, 1931.

9. For obvious reasons, the name of this informant cannot be published.

10. *Listín Diario*, April 7, 1933.

11. *Gaceta*, October 4, 1933. This law was repealed by Law 923 of June 18, 1935 (*ibid.*, June 19, 1935).

12. *New York Times*, April 29, 30, 1935.

13. *New York Times* and *New York Post*, February 19, 1936.

14. *Listín Diario*, March 23 and April 5, 1935.



a monopoly formerly held by the *Compañía Anónima Tabacalera*, of which General Trujillo was reported to be a large stockholder. Despite diplomatic protests from both the United States and Italy, Barletta was held in jail incommunicado for several weeks. On May 4 he was sentenced, without opportunity to defend himself, to two years' imprisonment and a fine of \$2,000 for alleged evasion of excise duties in connection with the Dominican Tobacco Company. Dealers were reported to have been so intimidated that none would handle the products of the company.

On May 15 it was announced that the Italian Ambassador in Washington had informed the State Department that his country might send a warship to Santo Domingo if the Barletta case were not settled satisfactorily. The next day Barletta's release on \$50,000 bail was ordered by the court. None the less, he remained in jail; on May 20, however, following a reported ultimatum from Mussolini, Barletta was unconditionally released.<sup>15-16</sup>

Other foreigners had previously suffered the ill-will of the dictatorship. General Enrique Loinaz del Castillo, Cuban Minister to the Dominican Republic, had written the Cuban Department of State in 1932 referring to the existing "reign of terror, perpetuated by constant clandestine assassinations."<sup>17</sup> He was particularly concerned by the case of Max Rodríguez, a young Cuban arrested on September 4, 1932.

Failing in repeated efforts to secure an interview with General Trujillo, General Loinaz sought the assistance of the President's brother, Virgilio, then Secretary of Interior, Police, War and Navy. This functionary, after talking with the President, called on Max Rodríguez in prison. "He carried to him a document in which Max transferred in favor of Virgilio Trujillo a mortgage bill by means of which Max was the owner of a country house situated in Independence Avenue close to the bathing beach of Güibia. Max signed the transfer demanded. Don Virgilio embraced him and promised him his liberty soon." On October 24 Rodríguez was released.

Two Puerto Ricans, United States citizens, have met death under the Trujillo régime. These were Eduardo Colom y Piris, a youth of eighteen years, and Juan N. Miranda, teacher and farmer, who

had lived in the Dominican Republic for 25 years. Colom y Piris was arrested on April 29, 1933 in San Pedro de Macorís by Lieutenant Sindulfo Minaya Benevides. It was charged that he had spoken disrespectfully of General Trujillo. According to an affidavit sworn to by the victim's mother, who visited prisons and government offices for many days in an endeavor to discover the fate of her son, he was shot on May 1.<sup>18</sup> The case aroused a storm of protest in Puerto Rico. The Dominican authorities finally announced that Lieutenant Minaya, the supposed author of the crime, had been arrested, and later reported that Minaya had been shot "while attempting to escape" at San Pedro de Macorís.<sup>19</sup> Subsequently the Dominican government, following diplomatic demands from Washington, paid the mother of the victim \$5,000.<sup>20</sup>

#### THE DICTATORSHIP SUPREME

Government in the Dominican Republic clearly constitutes one-man rule. Congress and the courts continue to function, but provide no effective check on the power of the President. His own force of character, his tactics of ruthless repression, combined with absolute control of all government patronage and appointments have made his influence supreme. The principal function of Congress is to give legislative sanction to the policies laid down by the executive. The chambers display exemplary dispatch in the approval of laws presented by the President. It is not uncommon for a bill to be declared "urgent," given two readings by both houses and passed—all in one day.

Control of political activities by the dictatorship was facilitated by the organization on August 16, 1931 of the Dominican party, with General Trujillo as supreme chief. This has become the only political organization in the country, other parties having disappeared. Within a year of its formation, the party claimed to include in its files 80 per cent of the electorate. Government employees are required to contribute 10 per cent of their salaries to its treasury. The party was active in promoting the candidacy of General Trujillo for "re-election" in 1934. It organized "civic reviews" throughout the country during 1933 and the spring of 1934, where masses of peasants were brought together to voice their support of the President.

15-16. *New York Herald Tribune*, April 30, 1935; *New York Times*, May 8, 16, 17, 21 and 22, 1935. The Italian cruiser, *Gaeta*, had been ordered to sail on May 20 from the port of Spezia.

17. These letters were printed in the Havana press, following the fall of Machado in Cuba. For the text of the correspondence, cf. Buenaventura Sánchez, *Trujillo: La Agonía Dominicana*, cited, pp. 71-82, and *El Imparcial* (San Juan, Puerto Rico), November 22, 1933.

18. *El Día* (Ponce, Puerto Rico), July 6, 1933. The mother declared that appeals to the United States Consul in Santo Domingo brought only general assurances that the boy was safe.

19. *El Mundo* (San Juan, Puerto Rico), August 12, 1933.

20. *La Prensa* (New York), April 10, 1934 and *El Imparcial*, January 8, 1935. Miranda was killed in 1933, allegedly by certain officials in Barahona Province. *El Día*, September 8, 1933.

Control of public opinion is maintained through a subservient press and an extensive system of espionage. Day after day the leading newspapers carry columns of fulsome praise of the dictatorship and its works, but venture no word of criticism. Even the two principal news services which report Dominican events to newspapers in the United States find it difficult to report unfavorable notices of the Trujillo régime.

With such effective *de facto* control of newspaper expression, legislation was hardly required. A law of April 1933, however, declared that anyone who might by his writings, letters, speeches or in other way spread "information of subversive character, injurious to the authorities or defamatory of the government" would be tried as a common criminal.<sup>21</sup>

The difficulties under which journalists labor were illustrated by the symposium proposed in March 1933 by Dr. José E. Aybar, a dentist and one of General Trujillo's most ardent supporters. Since the "civic reviews" were declared to have demonstrated that the Dominican people wished General Trujillo to continue in power from 1934 to 1938, Dr. Aybar asked 150 leading citizens to state whether it would not be proper for the Central Electoral Board to declare Trujillo President for the new term, thus saving the expense of elections.<sup>22</sup>

Among those answering the request was Dr. Ramón de Lara, who declared in the columns of *Listín Diario* that he was a friend of Trujillo, but believed that re-election was the curse of Latin American republics. Following this statement, both Dr. Lara and Arturo Pellerano Sardá, editor of the newspaper, were imprisoned. Sr. Pellerano-Sardá, however, was shortly released and soon became a member of the Dominican party, announcing that he and his newspaper would support the "re-election" of the President.<sup>23</sup> He was later made a deputy in Congress.

The régime is credited with an extensive system of espionage. Spies are supposed to be everywhere; no one knows whom to trust. Families suspect their servants; friend doubts friend. According to many observers, Cuba in the worst days of Machado was never so terror-ridden as the Dominican Republic.

21. *Gaceta*, April 8, 1933, Law 483. So painstaking is the *de facto* censorship that in January 1935 several issues of *The Saturday Evening Post*, carrying a serial story entitled "The House of Trujillo," failed to reach subscribers in the country. The story in question referred in no way to the Dominican Republic.

22. *Listín Diario*, March 23, 1933.

23. *Ibid.*, April 11, 1933. A number of political prisoners have been released upon announcing their willingness to join the Dominican party.

Not only Dominicans but Americans and other foreigners are afraid to utter an unguarded word against the government.

Both labor and capital have felt the hand of the dictatorship. Unions have been broken up; labor leaders arrested and imprisoned. Sugar workers, striking against a cut from 40 to 25 cents a day, were forced by soldiers to return to work, and strike leaders were discharged.<sup>24</sup> The labor movement has been practically destroyed. The Trujillo régime, however, has placed some labor legislation on the statute books, including a provision for the eight-hour day.

Business men have also been affected. Early in 1935, following heavier taxes levied by the government on various articles of consumption,<sup>25</sup> many merchants raised prices. This drew from the government a threat to deport foreign business men and apply correspondingly severe penalties to domestic merchants if such practices continued. Two days later employers were warned that they would be held responsible for any expressions of disloyalty voiced by their employees or relatives.<sup>26</sup> When a match factory in Puerto Plata shut down, General Trujillo announced that the government would "not permit the stoppage of any industry" and that if the owners could not keep it running, the government would take charge and give it an "efficient, honest and economical administration."<sup>27</sup>

Business is complicated by interference from another angle. Following the passage in 1932 of an industrial accident law, Victor Braegger, a United States citizen, organized the Victory Insurance Company to write this type of policy. Braegger states that he began to do business in September 1932, on the personal assurance of Tulio H. Pina, Acting Superintendent of Insurance, that he had complied with the requirements of the new law. The Presidential decree authorizing his company to operate, however, had not been issued; and on October 10 Braegger was advised that he must cancel all contract policies issued, on the ground that the capitalization of his company was faulty.<sup>28</sup> He promptly advised the authorities that he had obeyed this order.

Meanwhile, another insurance company, the San Rafael, had been organized under the presidency of Teóduo Pina Chevalier, uncle of General Trujillo.

24. Statement of January 25, 1932 by Valentín Tejada.

25. Cf. p. 39.

26. *Listín Diario*, March 21 and 29, 1935.

27. *Ibid.*, March 18, 1935.

28. It was alleged that the required \$50,000 of capital had not been fully paid up. Cf. *Gaceta*, March 25, 1931, Law 96, Article III.

jillo and Minister of Communications and Labor.<sup>29</sup> On October 27 Mr. Braegger was invited to confer with María Martínez, the President's mistress and business agent.<sup>30</sup> At this meeting Braegger reports receiving a proposal to join the President in a merger of the two companies. Following the failure of negotiations to that end, Braegger's local manager David León, was arrested at his home late in the evening of October 28. He was taken to police headquarters, where he was held in solitary confinement for a day. Viewing the arrest of León as a direct threat to his own safety, Braegger promptly liquidated his business in the Dominican Republic, at a reported loss of approximately \$30,000, and returned to Puerto Rico.<sup>31</sup>

General Trujillo is declared to be a large stockholder not only in the San Rafael Insurance Company and in the *Compañía Anónima Tabacalera* but in the country's leading shoe factory, *Fábrica Dominicana de Calzado*, and other concerns. He is reported to hold a monopoly on salt production and to control to a large degree commerce in cattle, milk and butter. He is the owner of a 3,000-acre ranch, *Fundación*, and other large holdings, on which much of the country's rice is grown. The wealth accumulated in his years of power is believed to total several million dollars.

#### THE CULT OF ADULATION

The Dominican people are required to pay more than material tribute to their ruler. Figuratively speaking, incense must be burned continually to satisfy his growing vanity. He has been showered with high-sounding titles. In May 1933 Congress raised his rank from that of General to "Generalísimo." A few months later he was formally declared "Benefactor of the Fatherland." Both these titles accompany his name on every government decree. In October 1934 the University of Santo Domingo bestowed on him the honorary degree of Doctor, *honoris causa*.<sup>32</sup>

In 1932 Trujillo Province was created, with its capital at San Cristobal, the birthplace of the President.<sup>33</sup> In 1933 the new bridge on the country's

principal highway was called Generalísimo Trujillo. The practice spread and highways, streets, parks, schools and clubs bearing the President's name multiplied over the land. The tendency reached its climax when on January 8, 1936 the historic name of the capital—the first city of the new world, founded in 1496—was changed from Santo Domingo to Trujillo City (*Ciudad Trujillo*).

Adulation goes to the most extravagant lengths. In the public addresses of his partisans, the dictator has been termed Savior of the Republic, hero, titan, pontiff, messiah, demigod. On the roof of Vice President Peynado's new residence stands an electric sign, with letters a foot high, spelling out in red, white and blue lights the motto *Dios I Trujillo* (God and Trujillo). Trujillo supporters demand that he become President for life, or at least that his next term of office continue for ten years.

Streets have also been named for his father and mother. The republic's largest bridge bears the nickname, Ramfis, of his natural son. On April 17, 1933, when this child was three years old, he was declared by official decree a colonel in the National Army, and the authorities were instructed to "render him all considerations befitting his position."<sup>34</sup>

#### ACHIEVEMENTS OF THE DICTATORSHIP

The imposition of peace and order is considered by President Trujillo as his first and fundamental achievement. He has ruthlessly stamped out the threat of revolution and factional discord. In this accomplishment the army has served as the most important instrument. Official figures place its strength at 2,331 men, but the total of the armed forces is believed to be several times that number.<sup>35</sup> Outside of the public debt service, support of the army has constituted the largest charge on the budget, and this item has increased both in absolute amount and in relative importance. For 1931 the army was allotted \$1,141,000, or 11.5 per cent of the total budget; for 1936 it was to receive \$1,690,000, or 16.1 per cent.

The Republic's external security was fortified by the settlement on February 27, 1935 of a long-standing boundary dispute with Haiti. This brought agreement on certain differences relative to the delimitation of the frontier prescribed by the treaty of January 21, 1929.<sup>36</sup>

33. *Ibid.*, December 16, 1932.

34. Angel Morales, "Dictatorship, Caribbean Style," *Three Americas* (New York), November 1935.

35. Secretaría de Estado de lo Interior, Policía, Guerra y Marina, *Memoria*, 1933, p. LVI. In March 1936 the participation of 14,000 men in military maneuvers was reported. (*La Prensa*, New York, March 21, 1936.)

36. For the agreement, cf. *Gaceta*, March 9, 1935. The text of the 1929 treaty is found in *Gaceta*, March 5, 1929.

29. Teódulo Pina Chevalier was also an uncle of the Superintendent of Insurance, Tulio H. Pina.

30. Subsequently Trujillo presented to Congress a divorce law, by which he freed himself from his wife. (*Gaceta*, February 20, 1935.) He then married Mrs. Martínez, who was the mother of his natural son Rafael, nicknamed Ramfis.

31. He filed claim with the United States Department of State for indemnity, but action was delayed due to his inability to produce papers which were held in Santo Domingo City. The above account is based on Mr. Braegger's claim to the Department of State, a copy of which he furnished to the Foreign Policy Association.

32. *Gaceta*, May 31 and August 19, 1933; *Revista de Educación*, July-December 1934.

## TRUJILLO'S AGRARIAN POLICY

The Dominican Republic is fundamentally an agricultural country, its principal crops being sugar, cacao, coffee, tobacco and corn. Of these the first four are produced largely for export, and their value for 1934 was as follows:<sup>37</sup>

## PRINCIPAL EXPORTS, 1934

	Value	Percentage of total exports
Sugar, molasses and sugar cane	\$7,495,350	58.13
Cacao	1,739,144	13.49
Coffee	1,675,895	13.00
Tobacco	435,250	3.38

Although sugar does not dominate the economic life of the Republic as it does that of Cuba and other West Indian islands, it remains the principal crop.

Since exports occupy such an important place in Dominican economy, prosperity depends to a large degree on the maintenance and extension of foreign markets. But with the spread of economic nationalism throughout the world, tariff barriers against Dominican products have been raised in many countries. Its sugar, which is virtually without benefit of quota in the United States, is marketed principally in England, France and Canada, and this crop has been hardest hit by recent developments. The cost of sugar production in the Republic is roughly estimated at \$1 per hundred pounds f.o.b., but the world price on the London market was below that figure for a considerable part of 1934, and in the spring of 1935 fell to 80 cents.<sup>38</sup>

The Trujillo administration has had little success in opening markets abroad for Dominican products. One handicap in this regard has been Article IV of the 1924 convention with the United States, which restricts modification of import duties and thus limits the scope of possible concessions in reciprocal treaties.<sup>39</sup> The régime's principal achievement in this field is represented by a commercial pact with Spain, signed on October 16, 1935, which benefited exports of lumber, hides, vegetable oils and animal wax.<sup>40</sup>

37. *Report of the 28th Fiscal Period, Dominican Customs Receivership, 1934* (Washington, Government Printing Office, 1931), pp. 25-30, 90-95. This annual publication is hereafter cited as *Customs Receivership*.

38. On the same date that this price prevailed for Dominican sugar the Cuban product was quoted in New York at \$1.90 per hundred pounds and that of Puerto Rico at \$2.80. Of the twelve leading mills in the country all are controlled by United States capital, with the exception of three owned by Italo-Dominicans. Representatives of Dominican sugar interests urge that the Republic is as fully deserving of a substantial quota in the United States market as Cuba and Puerto Rico.

Greater progress has been made in increasing domestic production, particularly the growing of rice. According to statistics of the Ministry of Agriculture, domestic rice production rose from 5,000 metric tons in 1928 to 31,000 in 1934. Meanwhile, importations had fallen from 28,000 metric tons in 1928 to 9,500 in 1935. The country thus made substantial progress toward self-sufficiency in this article of food, but at the cost of higher prices to consumers. Coffee production has also been increased, exports having risen from 4,800 metric tons in 1930 to 9,600 in 1934.<sup>41-42</sup>

The Trujillo administration has made efforts to increase the number of small farmers, principally through a program of leasing land: 1,007,176 *tareas* (156,112 acres) had been allocated by November 22, 1935 to approximately 30,000 individuals in the provinces of Azua, Barahona, Hato Mayor, Santiago and Monte Cristi.<sup>43</sup>

## PUBLIC WORKS PROGRAM

The Trujillo régime takes special pride in its public works program, which has included improvement and extension of the country's system of roads, the building of important bridges, large port works at Santo Domingo, the erection of a number of public buildings, and street paving both in the capital and in Santiago de los Caballeros.

Special activity has been shown in the erection of permanent steel and concrete bridges, of great importance in a country where torrential rains and floods often obstruct communication for considerable periods. The Vásquez government contracted in 1928 for seven steel bridges with the United Steel Products Company of New York, and the Trujillo administration found this material already fabricated and used it, together with additional purchases, for an extensive program of construction.

The harbor at San Pedro de Macorís, the principal sugar port, was dredged, and in 1935 extensive

39. The text of Article IV is as follows: "The Dominican Government agrees that the import duties will at no time be modified to such an extent that, on the basis of exportations and importations to the like amount and the like character during the two years preceding that in which it is desired to make such modification; the total net customs receipts would not at such altered rates have amounted for each of such two years to at least 1½ times the amount necessary to provide for the interest and sinking fund charges upon its public debt."

40. For text, cf. *Boletín de la cámara oficial española de comercio e industria*, October 1935 (Santo Domingo).

41-42. The Ministry of Agriculture receives a relatively small share of the budget. For 1935 it was accorded \$312,000, and for 1936 \$258,000.

43. Statistics from the annual message of the President to Congress (*Listín Diario*, March 3, 1936). Cf. also E. de Hostos, "Cinco Años de Fecunda Labor Agropecuaria en la República," *The Dominican Republic* (New York), October 1935.



improvements on the port of Santo Domingo were initiated. A sand bar across the entrance of the Ozama River has long obliged large ocean-going vessels to anchor in an open roadstead. On March 8, 1935 the Dominican government signed an agreement with Félix Benítez Rexach, a Puerto Rican contractor, for harbor works to cost approximately \$2,500,000. These included construction of a 1900-foot breakwater extending across the mouth of the river, the creation by dredging and excavation of a 200-acre harbor behind the breakwater, and the building of a 3100-foot pier along the west side of the Ozama River. The project was to be financed not by a loan, but by current revenues, payments to be made to the contractor at the rate of \$40,000 a month until the total had been liquidated. On February 1, 1936 it was reported that the harbor project was rapidly nearing completion.<sup>44-45</sup>

To date the annual allotments of the Trujillo administration for public works have been as follows:<sup>46</sup>

1930	\$787,370	1933	\$1,049,383
1931	184,050	1934	900,450
1932	688,392	1935	1,024,330
1936	\$1,503,420		

#### A NEW SCHOOL SYSTEM

In an attempt to recast the Dominican school system, General Trujillo has sought to make education more practical and more nationalist in character. He announced: "I wish to see emerge from the schools generations of men who are practical, methodical, disciplined and valiant, who shape their personality and their destiny."<sup>47</sup>

To these ends curricula have been revised, in an attempt to prepare children for the actual conditions of Dominican life. Courses in agriculture and stock-raising have been introduced into the rural schools, and more than 500 school gardens established. Economics is taught from the primary schools up. Two manual training schools for boys have been founded and five schools of domestic science for girls. The number of industrial schools for girls, however, was reduced from 14 to 2 when the system was reorganized. Military training, taught by army men, has been introduced, and

children of nine and ten are frequently to be seen on the streets doing close-order and skirmish drill.

Through the coöperation of the Dominican party, whose local groups organized the necessary community support, 1,000 small schoolhouses are reported to have been erected but the program of expansion has been hampered by lack of teachers.

In June 1935 the government reported a total school enrollment of 96,890. Of these 16,284 were over 14 years of age.<sup>48</sup> At the beginning of his term of office, General Trujillo suppressed for reasons of economy and alleged inefficiency 270 "rudimentary" schools. Although between 1920 and 1935 the population of the Dominican Republic increased from 895,000 to 1,478,000, the school enrollment is smaller today than in 1920, when it totalled 101,886. The support accorded from the national budget has also been reduced—from \$1,382,000 in 1920 to \$1,061,000 in 1935.<sup>49</sup>

#### FINANCIAL DIFFICULTIES OF THE REPUBLIC

The foreign debt has constituted one of the most difficult problems of the present government. When General Trujillo became President on August 16, 1930, his administration was faced by an empty treasury and a floating debt of \$1,750,000. The effects of the world depression were increasingly felt in the Dominican Republic. Moreover, on September 3, 1930 a disastrous hurricane swept over the island, destroying three-fourths of the houses in the capital city, and causing 2,500 deaths and several times that number of injuries.<sup>50</sup> During the preceding Vázquez régime public revenues had reached the highest peak in the history of the Republic: they totalled \$15,000,000 in 1929. But expenditures had been correspondingly large and the external debt had more than doubled. Following 1929 government income sharply declined, while budget deficits grew in size.<sup>51</sup>

To meet this situation, the Trujillo administration attempted various economy measures, reducing the personnel in government offices by 15 to 20 per cent, and making a 15 per cent cut in salaries in 1931. But the floating debt continued to grow, and by 1932 had reached a figure somewhere between \$3,200,000 and \$3,500,000. However, by that time the budget had been balanced, so far as current expenditures were concerned, and has since continued

44-45. *New York Times*, February 2, 1936.

46. 1930-1933 figures are for actual expenditures. Joseph E. Davies, *Memorial Presented to the Council for the Protection of Foreign Bondholders of the United States for and on Behalf of the Dominican Republic* (Washington, 1934), pp. 88, 89. 1934-1936 figures represent budget estimates. *Gaceta*, December 9, 1933; December 17, 1934; December 17, 1935.

47. República Dominicana, *Revista de Educación*, December 31, 1933, p. 3.

48. *Revista de Educación*, July-August 1935, pp. 8-23.

49. República Dominicana, *Primer Censo Nacional*, 1920, p. 113, and *Gaceta*, December 17, 1935.

50. *Customs Receivership*, 1931, pp. 12-14.

51. W. E. Dunn, *Report of the Special Emergency Agent*, Dominican Republic, 1931-1932, p. 51.

substantially in balance, according to government spokesmen.<sup>52</sup>

In a further effort to alleviate financial difficulties, the government sought to lighten the burden of service charges on the external debt, which on December 30, 1930 totalled \$18,281,500.<sup>53</sup> All the loan contracts represented in this debt were characterized by relatively short maturities, and the influence of this factor was accentuated by a provision which postponed the beginning of sinking-fund payments until 1930. These payments, thus concentrated in a 10-year period for the 1926 loan and a 12-year period for the 1922 loan, proved a heavy burden. Involving an annual sum of about \$1,850,000, in addition to interest charges of \$915,000, they fell due just at the time when government revenues were suffering sharp decline. By 1931 customs collections had fallen so low that, had the receivership met the interest and sinking-fund payments totalling \$2,857,149 for the year, no balance would have remained for the Dominican government, which would even have had to use a small portion of its internal revenue receipts to meet the debt service completely. Unable to negotiate a new loan to meet these difficulties,<sup>54</sup> the government of President Trujillo enacted an Emergency Law of October 23, 1931,<sup>55</sup> diverting to administrative expenses \$1,500,000 from the customs revenues pledged by the 1924 convention to service on the foreign loans. While interest payments were to be maintained, the law practically suspended payments on the sinking-fund—only \$150,000 being applied to that purpose during the term of the legislation. The law was to continue in force until the end of 1933, but was subsequently extended by the Dominican government until August 1934.

52. The budget totals for expenditures have been as follows: 1932, \$7,263,000; 1933, \$7,977,000; 1934, \$8,985,000; 1935, \$9,277,000; 1936, \$10,501,000. U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce, *Latin American Financial Notes*, No. 187, January 14, 1936.

53. The status of the public debt of the Dominican Republic on December 31, 1930 was as follows:

Description	Date issued	Maturity	Amount issued	Amount outstanding
5½'s of 1922 1st series	April 5, 1922	March 1, 1942	\$6,700,000	\$9,144,500
5½'s of 1922 2nd series	April 1, 1926	March 1, 1942	3,300,000	
5½'s of 1926 1st series	Jan. 10, 1927	Oct. 1, 1940	5,000,000	4,568,500
5½'s of 1926 2nd series	Jan. 27, 1928	Oct. 1, 1940	5,000,000	4,568,500

Cf. *Customs Receivership*, 1930, p. 7.

54. A commission was sent to the United States for this purpose, but was unsuccessful. Cf. *Customs Receivership*, 1931, p. 9.

55. For the text of this law and the history of its application, cf. Dunn, *Report of the Special Emergency Agent*, cited.

The Dominican government frankly recognized that the Emergency Law diverting funds from the amortization payments under the receivership violated its obligations to security holders and the United States, as outlined in the 1924 convention. It consequently gave advance notice to the United States of its intention to take the action above described. The attitude of the American State Department was expressed as follows:

"After an independent investigation by the Department confirming the existence of the serious situation in the Dominican Republic, the Department informed the Dominican Government that it had noted the steps which that Government felt required to take and the reasons therefor . . . Having in mind the provisions of the convention between the United States and the Dominican Republic . . . this Government is not disposed at this time to take any action other than to continue to follow with attention and care the developments in the Dominican Republic."<sup>56</sup>

#### FOREIGN DEBT AGREEMENT

With the organization, under the auspices of the United States government, of the Foreign Bondholders Protective Council, Inc., the Dominican government promptly opened negotiations to substitute for the emergency legislation some arrangement which would permanently ameliorate the debt terms.<sup>57</sup> On August 17, 1934 the Foreign Bondholders Protective Council announced that the Dominican government had proposed a settlement providing for re-establishment of all the functions of the General Receiver of Customs, continued payment of full interest, and payments on the sinking-fund in accordance with the following scale:

1. For 1934 a sum equal to 1½ per cent of the total outstanding bonds, or approximately \$244,000.
2. For 1935-1938 a sum equal to ¼ of 1 per cent of the "total present outstanding 1940 bonds," and ½ of 1 per cent on "the presently outstanding 1942 bond issue," with increases contingent on the total amount of customs collected; or a minimum annual total of approximately \$61,000.

56. U. S. Department of State, *Press Releases*, November 14, 1931, p. 454.

57. In these negotiations the Dominican government was represented, not by its Minister to the United States, but by Mr. Joseph E. Davies, a Washington lawyer, and by Mr. Oliver P. Newman, who had succeeded Mr. Dunn as "Economic and Financial Adviser." Mr. Newman, a journalist with little previous experience in financial matters or Latin American affairs, had formerly been associated with the Democratic National Committee as director of publicity, when Secretary of State Hull was chairman of the committee. Since his Dominican appointment, Mr. Newman has spent most of his time in Washington and visited the Island only once.

3. From 1939 until liquidation 1 per cent of "the presently outstanding total of the 1940 bond issue" and 1½ per cent of the 1942 bonds; or approximately \$203,000 annually.

It was also agreed that if the above plan was "not performed in any essential particular," the bonds should immediately be reinstated in their former legal status.<sup>58</sup>

According to the agreement, the maturities for the two bond issues, originally set for 1942 and 1940, were extended respectively to 1962 and 1970, a provision which also required continuance of United States responsibility for the Customs Receivership to the latter date. The burden of amortization payments for the Dominican government was reduced from an annual total of approximately \$1,850,000 to \$61,000 for 1935-1938, and to \$203,000 thereafter. This easing of financial problems enabled the Trujillo administration to divert greater sums to the support of the army, to public works and other public services. The amount of the bond issues outstanding on December 31, 1935 was \$16,292,000. The achievements of the Dominican government in maintaining substantially a balanced budget and at least partial service on its foreign debt during the world depression won for it wide praise.

The agreement, however, failed to satisfy a considerable group of bondholders, who complained they had not been consulted in its formulation. They had declared that no further moratorium was necessary or permissible, contending that the Dominican government could carry its full debt service by the application of strict economy to expenditures for the army, for public works and for other services, and by proper collection of existing taxes. They also demanded that large amounts of customs duties which had been diverted "from the Receivership under the misnomer of Internal Revenues" be applied to the debt service.<sup>59</sup>

These internal revenue taxes involve, as will be later indicated, interpretation of the 1924 conven-

tion between the United States and the Dominican Republic, and deserve a brief discussion at this point. Their origin dates from Executive Order No. 719, issued by the United States Military Government in 1922, which established a sales tax, payable by means of internal revenue stamps, on alcoholic beverages, patent medicines, toilet soaps and perfumery. Law 190, passed by the Vásquez administration in 1925, made these taxes payable, on the basis of an import manifest, at offices set up in all the customs houses of the country. Subsequently the list of items affected was extended to additional articles of merchandise which might "be introduced into the country" and "declared for use, sale or consumption," 102 articles or classes of articles being included. Payments were ordered made in cash instead of internal revenue stamps. Following the 1930 hurricane, President Trujillo concluded an agreement with the General Receiver of Customs, by which the latter was authorized to collect the internal revenue taxes.<sup>60</sup>

In 1933 new internal revenue measures established an additional extraordinary tax per hundred kilos of \$1.75 on imported rice and \$1 on sugar imported or produced in the country. They increased by \$2 per hundred kilos the tax on wheat or corn flour imported.<sup>61</sup> In 1935 Law 838 again raised the tax per hundred kilos on imported rice by an additional \$1.75, made the tax on sales of imported sugar \$3 per hundred pounds, on those of domestic refined sugar \$2.75, and on domestic crude sugar \$2 per hundred pounds.<sup>62</sup>

This expanding system of internal revenue taxes had various effects. The taxes represented a policy of extreme protection on many articles, favoring the use of domestic products and foodstuffs. They markedly increased the cost to consumers of certain prime necessities of life.<sup>63</sup> The development of the internal revenue system also had important effects on fiscal policy. The revenues received were not subject to control by the Customs Receiver and to application on the debt service. Instead they augmented the income of the government for do-

58. For text of the documents embodying the agreement, cf. Foreign Bondholders Protective Council, Inc., *Annual Report* 1934 (New York), pp. 57-67. The accord is incorporated in Law No. 742, *Gaceta Oficial*, August 25, 1934. Previous to the agreement the case of the Dominican government was set forth in a *Memorial*, cited, and a *Reply Memorial*, presented to the Foreign Bondholders Protective Council by Joseph E. Davies. The position of a minority group of the bondholders is found in a *Memorandum* and a *Reply Memorandum*, presented to the Foreign Bondholders Protective Council by Frank H. Vedder.

59. Cf. *Memorandum* and *Reply Memorandum* by Frank H. Vedder, cited. Mr. Vedder has stated to the Foreign Policy Association that up to March 20, 1936, more than a year and a half after the conclusion of the agreement, the Dominican government had failed to communicate with the bondholders in order to secure their approval of the plan—a negligence which, it was claimed, constituted a violation of the August 1934 accord.

60. Davies, *Memorial*, cited, pp. 123-26 and Vedder, *Memorandum*, cited, pp. 28-34. For the text of Law 190 and related legislation, cf. República Dominicana, Servicio de Aduanas, *Leyes de Rentas Internas*, 5th edition (Santo Domingo, La Receptoría General de Aduanas, 1934). Law 190 was amplified in 1935 by Law 854 (*Gaceta*, March 13, 1935).

61. Laws 440, 546 and 595 in the *Gaceta* respectively for January 28, July 26 and November 4, 1933.

62. *Gaceta*, February 12, 1935.

63. Rice, a staple in the Dominican diet, was burdened by internal revenue taxes of \$4 per hundred kilos, plus the customs tariffs of \$2.75—a total of \$6.75 per hundred kilos or \$3.06 per hundred pounds. The combined duties on rice were more than twice the declared value of this article.

mestic activities. But these additional taxes served to discourage imports, thus diminishing the income from customs duties, which meant a corresponding decrease in the amounts available for service on the external debt. In 1935 as compared with 1934, customs collections decreased from \$3,189,200 to \$2,839,063 or 11 per cent, while internal revenue taxes increased from \$2,040,972 to \$2,634,263 or 30 per cent.

The bondholders contended that these "internal revenue" taxes were in reality disguised customs duties, since they were collected at the customs houses by customs personnel, on the basis of import manifests, and to a major degree were levies on imported goods. Consequently, these taxes, it was alleged, should be collected by the Customs Receiver and made available for debt service. For the period 1926-1934 one estimate placed the total amount of income resulting from internal revenue taxes at \$8,760,000.<sup>64</sup>

#### CONCLUSION

The 1924 convention governing the financial relations of the Dominican Republic with the United States represents both the closest link and the greatest potential source of friction between the two countries. The leading provisions of Articles II and III<sup>65</sup> have become practically a dead letter. The stipulation in Article II that all customs duties should be collected by the General Receiver has been violated, it is contended, by the "internal revenue" taxes—levied largely on imported goods—which are not controlled by the General Receiver. The prohibition in Article III against increase of public indebtedness was contravened by the rapid growth of the floating debt (1924-1932) to an approximate total of \$3,500,000.<sup>66</sup>

To meet this anomalous situation, three possible policies have been suggested. One, that the United States by diplomatic pressure should require the Dominican government to acknowledge the jurisdiction of the General Receiver over "internal revenue" taxes, and should also bar further increase in the Dominican floating debt. But this latter

recommendation could not be carried out without supervision by Washington of Dominican government expenditures, a control which is not conceded by the 1924 convention. Moreover, the attempted application of a "stronger" diplomatic policy would in all probability seriously embarrass the "good neighbor" policy in Latin America.

According to the second policy, the convention should be revised, since it is not being observed. Its maintenance involves a continuance of friction and suspicion. But could such revision be effected without sacrifice of Washington's responsibility to the bondholders?<sup>67</sup> Furthermore, if modification of the convention were achieved by the Trujillo régime, such a step would materially raise the prestige and strengthen the domestic position of the military dictatorship. A third point of view is represented by the argument that the convention should be continued on the present basis for the next few years, since the disadvantages of change outweigh the advantages.

In its diplomatic relations with the Trujillo régime, Washington has sought to avoid the two extremes of open hostility and sympathetic support, which on different occasions in the past it has adopted toward other Latin American dictatorships. United States representatives have apparently been instructed to adhere strictly to the conventional paths of official friendship.<sup>68</sup> Although it may be contended that the debt agreement approved by Washington was unduly advantageous to the Dominican government, the State Department displayed a firm attitude in the Barletta incident. It should be noted that apparent consent to the dispatch of an Italian warship did not infringe the Monroe Doctrine; recent trends have favored restriction of the Doctrine to its original content. The policy of the United States toward the Dominican dictatorship provides an illustration of the difficulties involved in attempting both the exercise of humanitarian influence and protection of American and other foreign interests without endangering the general application of the "good neighbor" program.

sent to the Dominican Republic to serve temporarily as Food Administrator after the 1930 hurricane. When the emergency passed, he continued in the country as "naval attaché" of the United States Legation although the Dominican navy was virtually non-existent. He had his office not in the Legation, but in the Dominican National Palace, and was reputed to be the President's most intimate adviser. His anomalous position, interpreted by some as implying official Washington support of the Trujillo dictatorship, led to his withdrawal in July 1931. In September 1933 Secretary of the Navy Swanson announced that a request from President Trujillo had led to the assignment of Major Watson and another officer to assist in training the Dominican army. Opposition from the State Department, however, led to the cancellation of the appointment. (*New York Times*, September 24 and October 29, 1933.)

64. Vedder, *Memorandum*, cited, p. 33.

65. Cf. p. 30.

66. In 1913 refusal of the United States to sanction an increase in the public debt had proved an important link in the chain of events which led to intervention in 1916. Cf. *Foreign Relations of the United States, 1913* (Washington, Government Printing Office, 1920), p. 427.

67. The 1922 bonds were sold under the Military Occupation, and the 1926 bonds on the basis of the 1924 convention.

68. The complications involved in diplomatic relationships are illustrated by the case of Major Thomas E. Watson, an officer in the United States Marine Corps. In answer to a request from President Trujillo Major Watson, who had been a friend and instructor of Trujillo during the United States Occupation, was